



NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA

REGISTERED UNDER TRADE UNION ACT, 1926 (Reg. No.ALC/KARYASAN-17/11295)

New India Building Annex, S.V. Road, Santacruz (W), Mumbai - 400054.

M. Vinay Babu

President

Mob : 9849014356

Email : madhavaramvinaybabu@gmail.com

Vivek Singh

Secretary General

Mob : 9415202088

Email : viveksingh200@gmail.com

NFIFWI/378/2023-25

Date: 19-04-2024.

To,

The Managing Director

Life Insurance Corporation of India

Central Office, 'Yogakshema', Mumbai

Respected Sir,

Re: Need to review the OMA eligibility rules of SBAs.

At present the Office Maintenance Allowance (OMA) is being paid to the SBAs as per the monthly rates described in the CO circular No. **CO/Mktg./SBA/2016-17/6 dated 31/05/2016**. Regarding the rates of monthly OMA to be paid, the circular reads as follows -

- | | | |
|-------------------------------|----|------------|
| 1. For places in Category I | -- | ₹. 36000/- |
| 2. For places in Category II | -- | ₹. 28800/- |
| 3. For places in Category III | -- | ₹. 21600/- |

The categories of places shall remain as prescribed in SBA department circular ref: CO/Mktg/SBA/2014-15/5 dated 17.01.2015.

Further, we would like to fetch your kind attention to the fact that post implementation of this circular i.e. after 01/04/2016, the rates of the rents to be paid for leased accommodation for our staff has been revised thrice by our CO in tune with the inflation. We are providing the relevant extracts of these three circulars regarding this for your ready reference –

1) Ref: CO/Estates/Circular No. 76 dated 08/04/2017:

The matter has been reviewed by the Competent Authority and it has been decided to revise the limits of lease rentals for leasing of houses/flats for use as staff quarters, the details of which are as shown in the table below:

Cadre	Revised Rental Ceiling			
	Metro cities	'A' class cities	'B' class cities	'C' class cities
SDM/DM-in-charge	29000	23000	16000	13000
DM/SBM/ADM	26000	21000	14000	12000
BM-I/C	21000	16000	11000	9000
BM/AO/ABM/AO	20000	15000	10000	8000

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2) Ref: CO/Estates/Circular No. 92 dated 11/08/2022:

Rental ceiling for Leased Accommodation have been revised as given below in table.

Cadre	*Metro Cities	A Class Cities	B Class cities	C Class cities
ZM(O) & Above	58,000	40,500	30,000	22,000
SDM/DM	33,500	26,500	17,500	14,500
SBM/ADM	30,000	24,000	15,500	13,500
BM In-Charge	24,000	18,500	12,000	10,000
BM/AO/AAO	23,000	17,500	11,000	9,000

3) Ref: CO/SBU-Estates/Cir No. 111 dated 03/04/2024:

The matter regarding revision in rental ceilings for houses / flats taken on lease has been reviewed and the Competent Authority has approved revision in rental ceilings for various cadres of officers. The details of revision are as under:-

Cadre/Designation	*Major 'A' cities	A class cities	B class cities	C class cities
ZM (O) and above	63,000	45,500	35,000	27,000
SDM / DM	37,500	30,500	21,500	18,500
SBM / ADM	34,000	28,000	19,500	17,500
BM / AO / AAO	26,000	20,500	14,000	12,000

Observing these three tables we can note that the rates of rent paid for the leased accommodation for our staff is revised thrice since 2017 and the rise ranges from 30% to 50% for various cadres and various types of places during the period from 2017 to 2024. It has been done in order to keep in tune with the inflation. However, the same has not been done in case of the OMA paid to SBAs. It is obvious that the purpose of paying OMA is to promote the SBA to open office at rental premises. In the view of the rise given in rent for leased accommodations we hereby request you to revise the OMA rates also accordingly in tune with the inflation during the period from 2016 to 2024.

Further, as per the latest CO circular No. CO/Mktg-SBA/2024-25/1 dated 01/04/2024, the minimum number of NB transactions for being eligible to receive the OMA has been revised. The minimum number of NB transactions per month for the 1st, 2nd, 3rd & 4th quarter respectively are 80, 100, 100 & 120 policies whereas the annual target for this purpose is 1200 policies. Here, as per the circular, **NB related transactions means "policies completed under ANANDA, policies completed under Green Channel, number of U proposals completed and the number of proposal deposit collections resulting into policies"**. This means all other policies completed by any other way like proposal deposit collection at agent's premium point, proposals completed through claim recycling, proposals completed by an agent at a branch other than the parent branch of the SBA etc. will neither be counted in the quarter wise minimum monthly transactions nor in the annual target of 1200 policies.

Sir, you will admit that (1) many club member agents working under an SBA do have their own premium points and they use to create the BOCs (proposal deposit collections) at their premium points instead of doing the same at BO cash counter, (2) now a days SBAs promote their agents to complete a considerable number of policies through claim recycling & (3) as the area of operations has been opened up now for new business submission, many agents submit the proposals at branches of their choice or convenience. And the policies completed by these means are barred from taking into account for arriving at number of NB related transactions. This is a big injustice to the SBAs as they don't have any control over this, and they cannot compel their agents to complete the proposals by any certain method. Hence for the sake of arriving at NB related transactions there is immense need of **considering all policies (completed by any means) in the SBAs unit for arriving at total number of NB transactions.** Otherwise more than 50% SBAs will not become eligible to receive OMA. We request you to find out all statistics in this regard that how many SBAs may be eligible for OMA as per the number of policies completed by them which fit in the definition of NB related transactions as per the said circular. We are very much sure that a large number of SBAs won't become eligible to earn OMA.

In the same CO circular i.e. circular No. CO/Mktg-SBA/2024-25/1 dated 01/04/2024 there is a provision of recovery of the total amount of OMA paid in case the SBA fails to recruit and activate minimum 4 agents during a financial year. Sir, this is also an unjust provision. For instance, if an SBA recruits and activates an agent in a certain quarter then he will be paid the OMA for that quarter provided he fulfils other conditions of transactions. And, further throughout the remaining period of the year if he unfortunately fails to recruit and activate any agent due to some reason beyond his control like any major illness or accidental injury, then all the amount of OMA paid earlier will be recovered. This will be demotivating to him. Hence, we request you to keep this condition on quarterly basis. i.e. if an SBA recruits and activates minimum one agent in a certain quarter then he will be eligible to receive the OMA for that particular quarter provided he fulfils other conditions of renewal & NB transactions and the OMA received by the SBA will not be recovered if he fails to recruit & activate agents in next quarters. We humbly submit to do the needful for making such a provision in the circular governing the payment of OMA to SBAs.

Apart from these concerns of the SBAs, we also want to bring to your notice that the rate of transaction fees is also not revised since years. The prevailing rate of transaction fees does not match with the pace of inflation for last few years. All computer peripherals and stationery items have inflated significantly in the post covid era. Also, the average salaries being paid to the staff in LIFE PLUS offices have almost doubled in recent years. However, the rate of transaction fees is not revised in these years. Hence, we request you to raise the rate of transaction fees in such a way that the gap of last few years and the expected inflation in the years to come will be matched. Doing so will ensure that there will be no need to review the rates again in the near future.

Sir, these are very crucial concerns of all the SBAs. All SBAs are worried a lot about their eligibility for OMA and the affordability of office expenses by the way of office rent, staff salary, stationery and entertainment expenses. We are most hopeful for your kind intervention and positive solutions to the issues.

In short, we are putting following three demands for your consideration –

- 1) Revision of OMA rates in tune with the inflation like the revision in rents paid for leased accommodations for staff.**
- 2) Consideration all policies (completed by any means, i.e. Green Channel, ANANDA, U proposals, proposal deposit collections at BO counter or at any premium point, claim recycling, policies completed at other branches, etc.) in the SBAs unit for arriving at total number of NB transactions.**
- 3) Condition of recruiting and activating agent on quarterly basis and no recovery of OMA payments made for earlier quarters if the SBA fulfils the quarterly condition of recruitment/activation of agent.**
- 4) Raising the rate of transaction fees in tune with the rate of inflation over past few years and the years to come.**

Sir, we affirm that you have always been supportive to the class of Development Officers and especially the SBAs. We are sure that you are kind enough to understand the difficulties of SBAs and look forward for positive consideration of our humble submission. We are most hopeful for positive outcomes.

Thanking you.

Yours sincerely,



Vivek Singh

Secretary General – NFIFWI

CC- Respected Executive Director (Marketing/PD/CMO) & Respected Executive Director (SBA) & LIC of India.